

LNF & IHCIF Calculations Illustration

- Duckvalley Shoshone Paiute Tribe in Phoenix area -

Given Data

- 1,342 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 20% = % Expenditures on purchased services, 80% = % expenditures in-house
- 103.4% = Cost index for purchasing health care in this geographic area
- 131.6% = Size cost index for in-house costs due to small or large size
- 100.9% = Phoenix area cost index for health status above or below average

Cost Adjustment Calculations

- \$617 per person for purchased services = $20\% * 103.4\% * \$2,980$
- \$3,137 per person for in-house services = $80\% * 131.6\% * \$2,980$
- \$3,753 per person total = \$617 (purchase) + \$3,137 (in-house)
- **\$3,788 per person total** adjusted for health status = $\$3,753 * 100.9\%$
- **\$3,043 per person net cost** = $\$3,788 - \745 Other resources (M&M&PI)

Existing Expenditures (for 1,342 users excluding wrap-around and collections)

- \$4,760 per person = local IHS allowance (excludes \$ for wrap-around)
- \$199 per person = expenditures elsewhere in Phoenix area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$5,013 per person for OU users** = $\$4,760 + \$199 + \$54$

LNF Calculation

- **132.3% Gross LNF** = $\$5,013$ (expenditures) / $\$3,788$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **164.8% Net LNF** = $\$5,013 / \$3,043$ net cost ($\$3,788 - \745 other)

IHCIF Allocation

- \$0 = \$ to raise LNF% from 164.8% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$0 Allocation** = \$0 needed for 60% * 3.488% IHCIF fraction

Duckvalley Shoshone Paiute Tribe Unmet Needs

- **\$4,083,404 Net Total Need** = 1,342 users * \$3,043 net cost
- **\$0 Net Unmet Need** = $(100\% - 164.8\% \text{ LNF}) * 1,342 \text{ users} * \$3,043 \text{ net cost}$